

## Message Text

UNCLASSIFIED

PAGE 01 VANCOU 01104 050151Z POSS DUPE  
ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-02 INR-07  
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15  
OES-07 SP-02 SS-15 STR-05 TRSE-00 ACDA-12 /120 W  
-----075008 051636Z/20

R 042130Z NOV 77

FM AMCONSUL VANCOUVER  
TO SECSTATE WASHDC 3851  
INFO AMEMBASSY OTTAWA  
AMCONSUL CALGARY POUCH

UNCLAS VANCOUVER 1104

E.O. 11652: N/A  
TAGS: ENRG, CA  
SUBJECT: ENERGY: B.C. NATURAL GAS PRICE INCREASE

1. B. C. ENERGY MINISTER DAVIS ANNOUNCED OCTOBER 28 THAT  
NATURAL GAS FIELD PRICES WOULD BE INCREASED EFFECTIVE  
NOVEMBER 1 BY 18 CENTS PER MCF ON NEW PRODUCTION AND 13 CENTS  
PER MCF ON OLD PRODUCTION.

2. AS RESULT OF THESE FIELD PRICE INCREASES, THE COST OF  
NATURAL GAS DELIVERED TO PROVINCIAL DISTRIBUTION UTILITIES  
WILL RISE BY AN AVERAGE OF 21 CENTS PER MCF BUT IMPLEMENTATION  
WILL BE DELAYED UNTIL MARCH 1, 1978 TO MITIGATE THE EFFECT ON  
RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CONSUMERS UNTIL THE  
WINTER HEATING SEASON IS OVER.

3. MINISTER DAVIS NOTED THAT INCREASE IN WHOLESALE PRICE WILL  
MEAN AN AVERAGE 10 PERCENT RISE FOR CONSUMERS, BUT THAT GAS  
WILL STILL REMAIN THE LOWEST-PRICED ENERGY AVAILABLE TO BRITISH  
COLUMBIAN AND CHEAPER THAN GAS RETAILED IN EASTERN CANADA AND  
NEIGHBORING U.S. AREAS.

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4. GOVERNMENT PRICE INCREASE ANNOUNCEMENT IS BASED ON  
B.C. ENERGY COMMISSION RECOMMENDATION FOLLOWING FROM PUBLIC  
HEARINGS LAST SUMMER. COPY OF REPORT WILL BE MAILED TO EUR/CAN  
(COPY ALREADY PROVIDED TO EMBASSY). GOVERNMENT ALSO ACCEPTED  
BCEC RECOMMENDATION THAT EXISTING GAS CREDIT SYSTEM BE  
SUSPENDED AS OF NOVEMBER 1. UNDER THIS SYSTEM, GAS PRODUCERS  
HAD THEIR PRICES TIED TO RE-INVESTMENT IN NEW EXPLORATION AND

DEVELOPMENT. DAVIS STATED "THE INDUSTRY IS RE-INVESTING ITS EARNINGS IN B.C. ANYWAY".

5. B.C. PRICE ACTION HAS NO REPEAT NO EFFECT ON THE PRICE OF EXPORT GAS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATURAL GAS, INDUSTRIAL PRODUCTION, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 04-Nov-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**TAGS:** ENRG, CA  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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